

BEFORE THE
TENNESSEE STATE BOARD OF EQUALIZATION

<i>In Re:</i>	Rhonda G. McDowell)	
	Ward 56, Block 43, Parcel C3)	
	Residential Property)	Shelby County
	Tax year 2005)	

INITIAL DECISION AND ORDER

Statement of the Case

The Shelby County Board of Equalization ("county board") has valued the subject property for tax purposes as follows:

LAND VALUE	IMPROVEMENT VALUE	TOTAL VALUE	ASSESSMENT
\$62,700	\$191,400	\$254,100	\$63,525

On January 17, 2006, the property owner filed an appeal with the State Board of Equalization ("State Board").

The undersigned administrative judge conducted a hearing of this matter on April 5, 2006 in Memphis. In attendance at the hearing were the appellant, Rhonda G. McDowell, and Shelby County Property Assessor's representative Teri Brandon.

Findings of Fact and Conclusions of Law

The property in question is a single-family residence in a zero lot line development called Glynbourne Place, near the intersection of White Station and Sanderlin Roads in Memphis. Built in 1993 on a 0.08-acre lot, this two-story home includes 2,619 square feet of living area and an attached garage. Ms. McDowell acquired the property at an estate sale in October, 2002 for \$215,000. According to her testimony, the home had been on the market for some 18 months; and the sellers' original asking price had been reduced to \$230,000.

While acknowledging that her neighborhood was "kind of a hot area," the appellant maintained that the county board had overvalued the subject property at \$254,100 (\$97.02). She particularly questioned the appraisal of her land at the same amount as other somewhat larger lots in the subdivision.

In support of the disputed value, the Assessor's representative introduced comparative sales data. Three of the five comparables she selected were located in Pavilion Green – several miles away from the subject. The unadjusted comparable sale prices ranged from \$96.40 to \$110.49 per square foot.

Tenn. Code Ann. section 67-5-601(a) provides (in relevant part) that "[t]he value of all property shall be ascertained from the evidence of its sound, intrinsic and immediate value, for

purposes of sale between a willing seller and a willing buyer without consideration of speculative values...."

Since the taxpayer seeks to change the present valuation of the subject property, she has the burden of proof in this administrative proceeding. State Board Rule 0600-1-.11(1).

It may be, as Ms. McDowell contended, that the comparables on which the Assessor relied were superior to the subject property in some respects. Yet the fact remains that this house is currently appraised near the bottom of the range of values indicated by Ms. Brandon's analysis. Moreover, for her part, the appellant cited no sales at the hearing other than that of the property in question 27 months before the January 1, 2005 reappraisal date. Even assuming that the estate sale of this property was an arm's-length transaction at market value, an annualized appreciation rate of about 8% in an admittedly desirable location would not seem terribly unusual.

Concerning the valuation of the subject lot, the proof does not establish that the market would extract a penalty for its relatively small size in comparison with other home sites in this development. Further, whatever inequities may exist in the Assessor's appraisals of these lots, the administrative judge cannot reasonably infer from the evidence of record that the site value of the property under appeal is less than \$62,700.

Order

It is, therefore, ORDERED that the following values be adopted for tax year 2005:

LAND VALUE	IMPROVEMENT VALUE	TOTAL VALUE	ASSESSMENT
\$62,700	\$191,400	\$254,100	\$63,525

Pursuant to the Uniform Administrative Procedures Act, Tenn. Code Ann. §§ 4-5-301—325, Tenn. Code Ann. § 67-5-1501, and the Rules of Contested Case Procedure of the State Board of Equalization, the parties are advised of the following remedies:

1. A party may appeal this decision and order to the Assessment Appeals Commission pursuant to Tenn. Code Ann. § 67-5-1501 and Rule 0600-1-.12 of the Contested Case Procedures of the State Board of Equalization. Tennessee Code Annotated § 67-5-1501(c) provides that an appeal **"must be filed within thirty (30) days from the date the initial decision is sent."** Rule 0600-1-.12 of the Contested Case Procedures of the State Board of Equalization provides that the appeal be filed with the Executive Secretary of the State Board and that the appeal **"identify the allegedly erroneous finding(s) of fact and/or conclusion(s) of law in the initial order";** or
2. A party may petition for reconsideration of this decision and order pursuant to Tenn. Code Ann. § 4-5-317 within fifteen (15) days of the entry of the order. The petition for reconsideration must state the specific grounds upon which relief is requested. The filing of a petition for reconsideration is not a prerequisite for seeking administrative or judicial review.

This order does not become final until an official certificate is issued by the Assessment Appeals Commission. Official certificates are normally issued seventy-five (75) days after the entry of the initial decision and order if no party has appealed.

ENTERED this 5th day of May, 2006.



PETE LOESCH
ADMINISTRATIVE JUDGE
TENNESSEE DEPARTMENT OF STATE
ADMINISTRATIVE PROCEDURES DIVISION

cc: Rhonda G. McDowell
Tameaka Stanton-Riley, Appeals Manager, Shelby County Assessor's Office
Rita Clark, Assessor of Property

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